



Obama's Economic Team Says Economy Improving; House Members Doubtful Democratic

Congresswoman Calls Testimony 'Dismaying and Out of Touch'

By Matthew Jaffe

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Three of the [Obama administration's top economic officials](#) today said the country has bounced back from the depths of the recession but still faces serious obstacles such as high unemployment, rising foreclosures, and a soaring budget deficit.

'We're seeing some encouraging signs of progress, but we face many, many daunting challenges ahead,' said [Treasury Secretary Tim Geithner](#) at a House Appropriations

Committee hearing this morning.

Joining Geithner at today's hearing were the other two members of the so-called "troika" of economic policymakers: [Council of Economic Advisers chair Christina Romer](#) and [Office of Management & Budget director Peter Orszag](#).

"We expect to begin seeing job gains sometime this spring," Romer said, citing the administration's forecasts that the labor market will add about 100,000 jobs per month this year, 200,000 per month next year, and 250,000 per month in 2012.

"Nevertheless," she said, "because of the severe toll the recession has taken on the labor market, unemployment is likely to remain elevated for an extended period."

Romer reiterated the administration's forecast that the unemployment rate currently at 9.7 percent will fall to 8.9 percent at the end of next year and 7.9 percent at the end of 2012. She also repeated its predictions that the economy will grow by 3 percent this year and 4.3 percent the next two years, with inflation expected to remain low.

'Dismaying and Out of Touch'

But in a sign of the widespread frustration about the economic downturn, Rep. Marcy Kaptur, a Democrat from Ohio, ripped into the three administration officials for not doing enough to help the unemployed.

"I find your testimony dismaying and out of touch," Kaptur said, arguing that they were more focused on the deficit than job losses. "You have no urgency!"

"People are becoming desperate," she said. "I am their representative. I cannot politely sit and listen to this and not feel compassion for them and expecting some from you."

Kaptur blasted the administration's foreclosure prevention plan, which to date has helped only 168,000 homeowners permanently modify their mortgages.

Administration Says Economy Coming Back, Gets Earful

"Your work-out programs are not working," Kaptur said. "The people who caused this mess are doing just fine&they're doing fine. The taxpayers bailed them out and my people are suffering, they're at the edge. Where is the urgency?"

"The banks are not doing good enough and we are going to put substantial pressure on them" replied [Geithner](#) .

But Kaptur quickly interrupted him: "It is pitiful, it is an embarrassment to the nation."

Romer pushed back against Kaptur's criticisms.

"The urgency is absolutely enormous," Romer said. "I can tell you that every single time we meet with the President, no matter what you tell him, his question is what does that mean for jobs."

The three administration officials blamed the Bush administration for the country's soaring budget deficit, saying the Bush team cut taxes in 2001 and 2003 and left the country in a severe recession when Obama took office in 2009. The panel's ranking Republican replied that the rising red ink was hurting the economic recovery.

"We can agree to disagree on the cause of our economic troubles, but the fact remains that we cannot spend our way to economic health," said Rep. Jerry Lewis, R-Calif. "Until this Congress and this administration curbs its appetite for spending, our economy will continue to suffer&The simple truth is that Uncle Sam does need to go on a diet."

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